



# MARYLAND DEPARTMENT OF THE ENVIRONMENT

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Martin O'Malley  
Governor

Robert M. Summers, Ph.D.  
Secretary

Anthony G. Brown  
Lieutenant Governor

February 26, 2014

The Honorable Peter A. Hammen, Chairman  
Members, Health and Government Operations Committee  
241 House Office Building  
Annapolis, MD 21401-1912

**Re: House Bill 1086 – *State Aid - Business Transparency and Financial Disclosure Act***

Dear Chairman Hammen and Committee Members:

The Maryland Department of the Environment (MDE or “the Department”) has reviewed House Bill 1086 (HB 1086) and would like to express our support for this legislation, which aims to promote openness and transparency in expenditure of State funds. The Department would also like to provide some additional information on this legislation.

This bill requires a business, association, corporation, joint venture, partnership or other entity that receives public funds of at least \$50,000 in the form of a subsidy such as a loan, loan guarantee, fee waiver, matching funds, tax abatement, tax credit or tax exemption, to file an annual disclosure report with the granting body that provides the subsidy. The State entity providing the subsidy is required to provide a disclosure report form that includes information such as the public purpose that the recipient provides, the activity and location of the activity that creates eligibility for the subsidy, information to evaluate the purpose of the State subsidy, a summary of jobs created and lost, information on executive compensation if the recipient is required to file an annual proxy statement with the Federal Securities and Exchange Commission, and any violations of law or regulation by the recipient.

The bill requires the State entity providing the subsidy to publish on its website an annual compilation of the disclosure reports, which must be maintained in a searchable database and in a spreadsheet form that can be downloaded. The State entity is also required to determine if a recipient has met the requirements of the State subsidy and include that determination in the disclosure report.

This bill would have an impact on the Department. The Department provides State subsidies as defined in the bill, and the Department would be required to provide the disclosure report forms described above to entities that receive a subsidy. The Department would also be required to publish and maintain a compilation of the disclosure reports as described above, and make determinations as to whether a recipient has met the subsidy requirements, which would also be published as part of the compilation of disclosure report.



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It is MDE's understanding that the Department of Information Technology can develop a single database, accessible from each agency's website, with their existing resources, thus removing the requirement that MDE develop its own database. MDE would be responsible for updating the central database and making the necessary determinations in the bill. This work could be done with existing resources.

Thank you for your consideration of this information. We will continue to monitor HB 1086 during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by email at [jeffrey.fretwell@maryland.gov](mailto:jeffrey.fretwell@maryland.gov)

Sincerely,



Jeffrey Fretwell